

Indosuez pursues clear strategic path

Across its global operations, the European wealth manager is aligned and focused in terms of the importance it is placing on growing the franchise in a steady but focused way, especially where Asia is concerned.

The disruption and transformation across the wealth management industry globally is making it easier than ever before to distinguish those firms with a clear vision and value proposition.

Amid this new environment, Indosuez Wealth Management believes it has what it takes – not just to survive, but to thrive.

It can be confident of this given some of the proactive steps it has taken over the past couple of years to address key issues that many firms are still grappling with.

Most notably, this is in terms of strategic positioning, strengthening its commercial offering, reinforcing the compliance and risk framework, and refining its geographic footprint.

Added to this is an ability to leverage what it says is a high-quality book of business, well-balanced between do-

mestic and international clients, both in European and emerging countries, and it is understandable why its leadership globally and in Asia is optimistic.

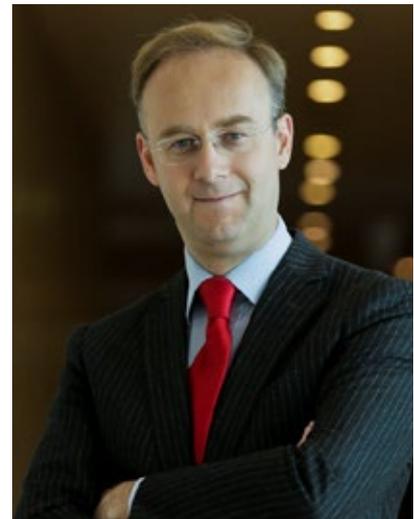
“We are on a sound, long-term growth path and remain cost-effective and profitable,” says Paul De Leusse, chief executive officer of Indosuez Wealth Management.

In short, he believes the firm is well-placed to target its desired entrepreneurial client base whose wealth management needs are increasingly global.

RE-POSITIONING

The firm has recently emerged from a five-year strategic transformation.

This happened in two stages. First, from 2012 to 2015, internal analysis of the business model, value proposition, branding led to recommendations in terms of the architecture required and transformations needed to get there.



PAUL DE LEUSSE
Indosuez Wealth Management

The upshot of such an audit was to restructure the services and products as part of a deliberate transition – from a private banking mind-set to a



PIERRE MASCLET
Indosuez Wealth Management

viser's skills. And advisory services and investment solutions were not the sole focus. Instead, and now as 'wealth managers', the firm wants to surround its front-line staff with experts.

This ties into the introduction of an international wealth structuring offering, based on integrating corporate services – including corporate finance, equity transactions and complex financing. This is all now bolstered by five globally-coordinated support functions at the bank: risk, compliance, legal, HR and communications.

BALANCING SCALE AND A NICHE STYLE

Getting the best of all worlds is how Indosuez Wealth Management sees

regions for wealth management. In 2016, Indosuez decided to reinforce its international refocusing plan, which will ultimately reduce its AUM by roughly EUR10 billion as part of the institution's three-step strategy.

First, in light of Automatic Exchange of Information (AEOI), the firm opted to focus on countries that had either already signed or committed to sign the AEOI agreement.

Secondly, given its commercial strategy, it only wanted to work with HNW clients in target countries.

And thirdly, it extended its tax certification process to non-European residents.

Today, to maintain a rigid and robust risk management framework, compliance and control management are part of the Indosuez group's DNA.

"We have developed a strong and reliable set-up to maintain the highest industry standards in terms of risk and compliance management," says De Leusse. "We have turned this into a distinctive, competitive advantage."

For example, the firm has 22 dedicated members of staff at the central level to monitor the risk and compliance control set-up; and it has 188 governance documents dedicated to the monitoring of wealth management.

KEY GROWTH PILLARS

According to De Leusse and Masclet, there are four key growth pillars on which the firm is building its future.

Accelerated growth by stimulating expansion organically with astute segmentation, as well as improved organisation and marketing, is one of them.

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broader wealth management offering geared more towards UHNW clients and entrepreneurs.

By early 2016, the launch of the new (current) brand signaled the culmination of this strategic transformation.

What came with this second stage were some key shifts in the business.

For example, no longer was a 'private banker' the client's sole point of contact where the one-man-band mentality prevailed. Further, financial expertise could no longer be dictated by the client's place of residence and the ad-

things. "This is an offering which is on a par with the biggest specialised players in the industry," says Pierre Masclet, who spearheads the firm's business in Asia.

On the one side there is still a certain amount of human scale.

"This guarantees close working relationships and mutual understanding internally and with each individual client," he adds.

At the same time, a re-vamped and well-balanced international network ensures access to the world's highest-growth

To achieve this, synergies are being developed within the Crédit Agricole group to complement the wealth management offering.

More specifically, this means targeting existing clients within the group such as corporate and family holding clients, as well as wealthy individuals from within the retail network.

At the same time, adds Masclat, the firm is looking to continue to acquire talent and selective portfolios of business to assert Indosuez's positioning on existing domestic markets and with key international clients.

A second priority for the firm is a digital transformation.

"We want to strengthen our quality of services by digitalising our offering and client processes," explains De Leusse.

This is in three main areas, he adds: improving the client experience, by providing clients with permanent access from everywhere to the Indosuez expertise via their RM or the bank experts; improving the RM experience, by providing analytical decision-making tools, with a strong ambition on mobile technology; and simplifying the clients' administrative tasks related to their banking relationship.

"Ultimately, research of our clients has shown that they mainly want better and quicker access to their RMs," adds De Leusse.

In line with this also, the bank recently launched a mobile application, named Indosuez Insight. The app offers an easy and privileged access to its latest economic research and

financial news, as well as areas related to wealth structuring.

The third pillar of the strategy is the simplification of the organisation in terms of improved efficiency.

This is best reflected by improvements in the cost-income ratio by refining and streamlining the organisation, in turn decreasing the marginal cost of operational processing.

"The ultimate goal of this plan is to maintain a cost-income ratio below 75% despite an ambitious development and digital investment programme," reveals De Leusse.

Uniting staff around a common project is the fourth growth pillar for the firm.

To do this, the aim is to cultivate an environment allowing each member of staff to achieve their full potential while contributing to the collective ambition.

"This is achieved through a culture and strategy which is inclusive," explains Masclat.

In reality, this means a mix of elements.

For example, better communication of the corporate plan and goals, more regular updates about the results and strategy, an interactive forum with members of Indosuez group's management board, encouragement to managers to invest in developing their teams – while increasing the delegation, and clearer career development opportunities while celebrating collective achievements.

"Our internal and external communications strategy will play an important role in federating our team's ideas

Client education

The bank is firmly committed to sharing knowledge with clients too.

For example, it organised in February in Hong Kong the 4th edition of the Indosuez Wealth & Beyond Asia Summit.

During this session, renowned and inspiring speakers explored the meaning of wealth in all its facets, with the aim of positioning Indosuez Wealth Management as an industry thought leader.

Subjects were as diverse as geopolitics and neuroprosthetics, macro-economics and microfinance, financial markets and new technologies – providing in-depth information on today's most exciting topics and the impact they may have on families and entrepreneurs.

Leveraging the group's synergies, the bank also welcomed during this event the Nobel Laureate Professor Yunus.

He shared with the audience his vision and commitment to eradicate poverty in the world by accelerating social business.

and energy around the 'Shaping Indosuez' project," says De Leusse. In line with this, the firm's intranet is a key platform for getting to know each other better, for example for efficient knowledge management about the goals, resources, priorities and achievements. ■